

FEDERAL
TOBACCO CROP INSURANCE
in

Dane County, Wisconsin (54)
Hartford County, Connecticut (51 & 52)
Hampshire County, Massachusetts (51 & 52)

(Investment Insurance)

The Federal Crop Insurance Corporation offers under annual contracts insurance of a major portion of the investment in producing tobacco against loss in yield and quality due to unavoidable causes such as:

Drought	Hail	Rain	Plant Diseases
Frost	Wind	Flood	Insect Infestation

It does not insure against losses from avoidable causes such as neglect and poor farming practices.

A Federal crop insurance premium buys protection of most of the "out-of-pocket" costs of producing a crop of tobacco against the major production risks from transplanting through harvest.

It adds only a little to operating costs to insure against the production hazards which man cannot control. Crop insurance premiums are deductible as operating costs for income tax purposes.

-- BETTER BE SURE - BETTER INSURE --

Full information on the program and the coverage and premium for each insurance unit is available through the county office or an authorized agent.

TOBACCO CROP INSURANCE

Federal crop insurance protection against the unavoidable hazards in the production of tobacco is being offered in 33 counties in 1948.

Premiums paid by farmers are used only to pay losses to insured producers. Administrative costs are carried by the Federal Government as a service to farmers. Premiums collected in excess of losses paid can be used only to accumulate a reserve for use in years when losses exceed premiums. The accumulation of an adequate reserve will make possible reductions in premium rates.

Since losses paid under the program are the major factor in determining proper changes in premium rates, it is in the policyholder's interest for only sound risks to be insured under the program. It is the policy of the Corporation to eliminate undue risks from the program and to guard against "lax" adjustments.

Crop insurance is a farmers' program with each insured paying a small amount for protection in order that none among them may suffer a disastrous loss.

Only tobacco produced on acreage for which the Corporation establishes a coverage and premium rate can be insured.

Tobacco crop insurance completed a 3-year trial period in 1947 during which this protection was offered to growers in 19 counties. Combined premiums for all counties exceeded the total losses paid each of the three years. The legislation was changed to permit tobacco insurance to be offered in a maximum of 35 counties.

IT'S GOOD BUSINESS TO PROTECT YOUR INVESTMENT

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COVERAGE

Investment crop insurance assures a dollar return from the tobacco crop which represents a major portion of the investment in the crop.

The coverage per acre is expressed in dollars. Ask the county office what coverage is available for your crop.

The protection is 100% of the coverage on harvested acreage. Before harvest, the protection is 65% of the full coverage.

DETERMINING LOSSES

If the returns from the insured tobacco crop are less than the coverage, the insured is entitled to an indemnity in the amount that the returns fall short of the insured coverage provided the loss resulted from the unavoidable causes insured against.

INSURANCE UNITS

An insurance unit is all the insurable tobacco of one type in the county in which one person has 100% share at the time of planting, or all insurable acreage of one type in the county in which the same two or more persons (e.g. landlord and sharecropper) have 100% share at the time of planting. Ownership and types are the determining factors in establishing insurance units. Discuss this with the county office or an authorized agent.

PREMIUMS

Premium rates are stated in dollars per acre.

While the premium comes due about the time marketing starts, it may be paid as soon as the insured acreage is known since it is a definite dollar amount per acre. Protection starts with transplanting so that is the best time to pay for it if you can.

INSURE FOR PROTECTION IN 1948 AND EVERY YEAR

OTHER CONTRACT PROVISIONS

The insurance covers your interest in all insurable tobacco acreage in the county in which you have an interest in the crop at the time of planting.

If your tobacco crop is destroyed while there is still time to replant, you are expected to replant. If this acreage is not replanted it will not be insured.

Insured acreage destroyed or substantially destroyed may be released by the Corporation for other use, BUT no acreage may be put to another use until a release in writing is obtained from an authorized Corporation representative.

The insurance period begins with transplanting and ends upon removal from the field.

An assignment against the insurance contract may be made as collateral for a loan.

Partial protection may be obtained at half the cost of full protection and any losses under partial insurance are reduced by half.

WHAT YOU DO

File an application before May 31, the closing date for accepting applications, or the start of transplanting.

Follow recognized good farming practices in preparing the land, transplanting, caring for, harvesting and curing the crop.

If your planted acreage or interest in the crop differs from that listed on the planting intentions report at the time you sign your application, make sure this report is changed to the correct planted acreage for the insurance unit. You are allowed only 15 days after your tobacco crop is planted to change this report.

Report immediately to the county office any material damage to the crop if you feel a loss under the insurance contract may result. Any loss under the contract must be reported immediately after the completion of marketing of the crop.